

- BC's homicide rate soars to a six-year high in 2002
- Energy use in BC up 27% from 1990 to 2002
- University participation rates for low-income Canadians increase during the 1990s

The Economy

- The number of British Columbians receiving regular employment insurance (EI) benefits increased 4.2% (seasonally adjusted) in July. Nationally, the number of beneficiaries advanced (+2.1%), reflecting increases in all regions except Newfoundland/Labrador (-0.3%).

Source: Statistics Canada

Energy Use

- Energy use in British Columbia increased 27% between 1990 and 2002, more than in any other province except Alberta, where the amount of coal, oil, gas and electricity consumed jumped 31%. Seven provinces posted double-digit increases, and overall Canadian energy use rose 18% during this period. Transportation (30%) and industrial production (30%) were the biggest consumers of energy in 2002, followed by residential/agricultural (20%) and commercial/government (19%) uses. Consumers seem to be keeping a lid on their residential energy use (home heating, cooling and lighting). This increased only 7% during the 1990s, a period in which the population expanded 13%. Similarly, industrial consumption of energy rose 12%—substantially less than the 39% growth in total GDP.

Source: Statistics Canada

Homicides

- The number of homicides reported in British Columbia last year skyrocketed to 126 (up from 84 in 2001) as a number of missing persons cases (dating back several years) were confirmed as homicides. Grisly discoveries on a Coquitlam pig farm last year accounted for 15 of the reported deaths, and the murder of six Vancouver Island children by their father also pushed the total homicide count in BC up to its highest level since 1991 (and second-highest in more than forty years). One in five of the 582 murders reported in Canada last year occurred

in this province. Ontario (178) was the only region of Canada where more homicides were reported in 2002. *Source: SC Catalogue 85-002, Vol 23, No 8*

- BC's homicide rate increased to 3.04 per 100,000 people, putting the province second only to Manitoba (3.13) among the provinces. The national rate was 1.85, with rates in other provinces ranging from 0.38 in Newfoundland to 2.67 in Saskatchewan. Rates in the territories remained substantially higher, at 6.97 in Nunavut and 9.66 in NWT. There were no murders in Yukon last year. Among the nine largest metropolitan regions, Winnipeg (3.41) reported the highest rate, followed by Vancouver (3.26). Saskatoon (3.41) and Gatineau (2.21) had the highest rates among smaller cities. Victoria's homicide rate (0.93) was well below the national average.

Source: SC Catalogue 85-002, Vol 23, No 8

- Most of the homicide victims were stabbed (31%), shot (26%), beaten (21%) or strangled/suffocated (11%). Eight babies died after being shaken. Nearly two-thirds (62%) of the accused perpetrators and half of all victims 12 years and older had a criminal record. Three out of four accused perpetrators who had a criminal record had been convicted of violent crimes.

Source: SC Catalogue 85-002, Vol 23, No 8

Tourism

- The number of visitors entering Canada via British Columbia advanced for the second straight month (+2.0%, seasonally adjusted) in July. Entries from both the US (+1.8%) and Asia (+7.5%) increased substantially.

Source: Statistics Canada & BC Stats

- Tourism expenditures plunged in the second quarter as SARS, the war in Iraq and a stronger Canadian dollar combined to depress Canada's tourism industry. Real

Did you know...

Most BC residents (56%) prefer to eat Girl Guide Cookies one bite or nibble at a time.
Fifteen percent eat the whole cookie at once while 18% eat the middle first.

spending by visitors to Canada posted the biggest quarterly decline on record (since 1986), plunging 4.3% (seasonally adjusted). Spending by international visitors plummeted (-12.6%), while Canadians, who account for the lion's share of tourism demand, pared down their spending (-0.2%).

Source: Statistics Canada

Ethnic Diversity

- **Immigrants are more likely than those born in Canada to feel a strong attachment to their ethnic or cultural group.** Nearly three-quarters (71%) of immigrants who arrived in Canada from 1991 to 2001 rated at least one of their ethnic origins as important, compared with 65% of those who came before 1991, and 57% of first-generation Canadians (those with at least one parent who was an immigrant). Just 44% of second-generation Canadians were strongly attached to their ethnic roots. About half (46%) of Canadians indicated their ethnic origins were Canadian, British or French. Another fifth (19%) had other European ancestry. Of the 13% who indicated other origins, Chinese and East Asian were the most common. A large proportion (22%) of the population either had mixed ancestry, or did not know their ethnic heritage.

Source: SC, The Daily

Family Income and Education

- **Although tuition fee hikes have left some students with higher debt loads after completing university, they do not appear to have closed the door to a university education for young Canadians from low-income families.** In fact, the only group that made steady gains in university participation rates through the 1990s were young people aged 18 to 24 from families with the lowest incomes (less than \$25,000). Participation rates rose from under 10% in the early 1980s to 19% in 1997. Among those with a family income of \$25,000 or more, participation rates trended up throughout the 1980s, then stopped growing and even declined during the 1990s.

Despite the gains made by low-income youth, those from higher-income families remain more likely to pursue a university education. Among those with a family income of \$75,000 to \$100,000, participation rates averaged be-

tween 20% and 30%. About 40% of young people from high-income (\$100,000+) families went to university.

Tuition fee hikes during the mid-1990s had an immediate effect on youth from lower-income families, but this was mitigated by adjustments in student loan programs. The average annual student loan increased from \$5,000 to \$7,680, partly because the maximum allowable weekly loan jumped from \$105 to \$275 in many provinces. *Source: SC Catalogue 11F0019MIE*

The Nation

- **Canada's economy emerged from the doldrums in July, with real GDP expanding 0.6% (seasonally adjusted).** This was the largest monthly gain since April 2002. The goods sector (+1.0%) led the advance, fuelled by strong performances in most industries. Mining (+2.0%) remained buoyant and utilities (+1.9%) bounced back after slumping earlier in the year. Manufacturing (0.8%) surged ahead, ending a three-month-long downturn as producers of durable goods ramped up their output. However, agriculture, fishing and forestry slipped back (-0.5%) as weather conditions and the mad cow scare played havoc with producers. In the service sector, growth was slower (+0.4%), but widespread among industries. Following the lifting of a WHO travel advisory, the transportation (+0.4%) and accommodation and food (+0.7%) industries made solid gains. Consumer spending, especially on big-ticket items, boosted the retail sector (+0.6%).

Source: Statistics Canada

- **Manufacturers' prices were 2.0% lower this August than in the same month last year.** The year-over-year drop in the industry product price index (IPPI) was largely due to the strong Canadian dollar, which has lowered the prices received by Canadian producers for goods that are sold in US and other currencies. Without the exchange rate effect, the IPPI would have been 1.1% higher than in August 2002.

Source: Statistics Canada

*Infoline Issue: 03-40
October 3, 2003*

The Tourism Labour Market

Tourism is a significant contributor to the BC economy. It generates more than 4% of real GDP and about 7% of employment. By comparison, it is only slightly smaller than BC's construction industry. The following is a closer look at some of the statistics surrounding the tourism labour market.

Weekly wages: below average

The average wage across all industries in BC is \$675 a week (in 2002). Only one segment of tourism related employment could be described as "high wage". Workers in air transport have an average weekly wage of \$939—39% higher than the BC average. In travel arrangement and reservations, as well as in the charter bus industry, workers are paid on average \$615 a week (9% below the BC average). In sightseeing transportation (land), wages are similar (\$580, 14% below average). All of these industries combined, however, make up only a fraction—less than 13%—of the tourism labour market. The fact that tourism represents a larger share of overall employment than GDP implies that the contribution that workers in the tourism sector make to overall economic output is less than that of other industries in the province. This is reflected in the average wage in the tourism sector relative to that across all industries in BC, which in 2002 was \$675 a week. Only one segment of tourism-related employment could be described as "high wage". Workers in air transport have an average weekly wage of \$939—39% higher than the BC average. In travel arrangement and reservations, as well as in the charter bus industry, workers are paid on average \$615 a week (9% below the BC average). In sightseeing transportation (land), wages are similar (\$580, 14% below average). However, all of these industries combined make up only a

fraction—less than 13%—of the tourism labour market.

Tourism-related employment is overwhelmingly dominated by its lower paid industries. In traveller accommodation, wages average \$427 per week, 37% lower than BC as a whole. In food services and drinking places, the average weekly wage is a mere \$287, 58% below the BC average. These two industries make up over 87% of tourism-related employment.

The average weekly wage for these six tourism industries combined is \$375, making tourism a below average wage sector.

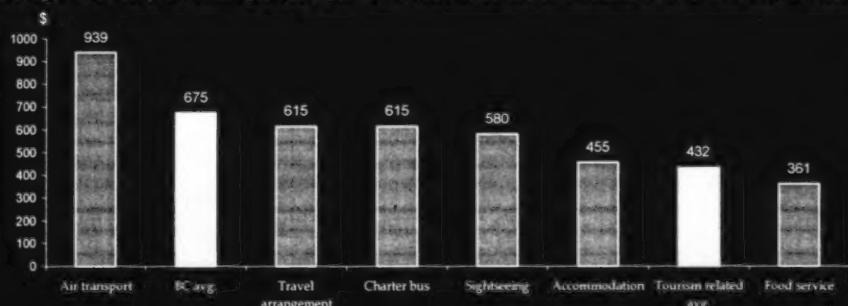
However, wages are not the full measure of earnings for many tourism workers. Statistics Canada estimates that tips amount to 3% of hotel room revenues, and 10% of gross sales at licensed restaurants and bars.

Following this method, average weekly tips amount to \$49 in food service and drinking places and \$28 in accommodation.

These figures, of course, are averages and many employees will receive more or less than this. Workers at fast food establishments—one-third of food service employment—do not generally receive any income from tips. Staff at up-scale dining establishments, on the other hand, may end up quite well paid.

Factoring in tips, average weekly earnings in BC's tourism related industries amount to \$432, 36% lower than the BC average.

Average weekly earnings (wages & tips) low in tourism related employment



Source: Statistics Canada and BC Stats

Note:

This article focuses on the labour market for selected industries within the tourism sector that have a substantial tourism component: air transportation, travel arrangement, charter bus, sightseeing and accommodation and food services. These industries account for nearly two-thirds of total employment in the tourism sector, and generate a similar percentage of its GDP. Accommodation and food services is by far the dominant industry.

No attempt is made to distinguish between the tourism and non-tourism activities of an industry. In contrast, BC Stats' GDP and employment estimates for the tourism sector exclude activities that are not tourist-related, but include all industries that depend on tourism to some extent (whether great or small). In the case of food services, for example, only about a quarter of the activity is deemed to be tourist-related – most of the GDP and employment in this industry comes from serving a local clientele.

Wages, working conditions, job tenure and other characteristics of the labour market discussed in this article are averages for all workers within the industry, and are unlikely to vary based on whether or not the workers are primarily serving tourists or residents.

More information on the definition of the tourism sector can be found in the January 2003 issue of Business Indicators, available on our website.

The differences in hourly wages show a similar pattern. In accommodation and food service, the median hourly wage is \$9.50, compared to \$17.40 for all of BC workers. Indeed, half (49%) of accommodation and food service employees earn between \$8 and \$10 an hour. Only 2% earn \$20 or more an hour. In contrast, just 17% of all

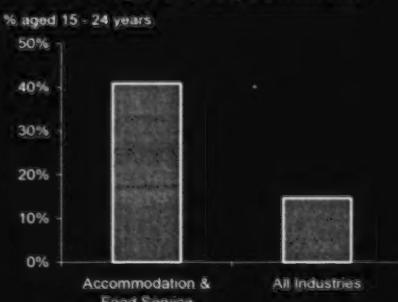
BC workers earn between \$8 and \$10 an hour, and 40% earn \$20 or more an hour.

Tourism workers: youth and women

Some 41% of accommodation and food service workers are young people (aged 15-24). Given that young people make up only 15% of the BC workforce, it is clear that the tourism sector is heavily geared toward youth employment.

Tourism workers are also disproportionately female. Women make up just under half (47%) of the BC workforce, but represent about 60% of employees in accommodation and food service.

Young people prominent

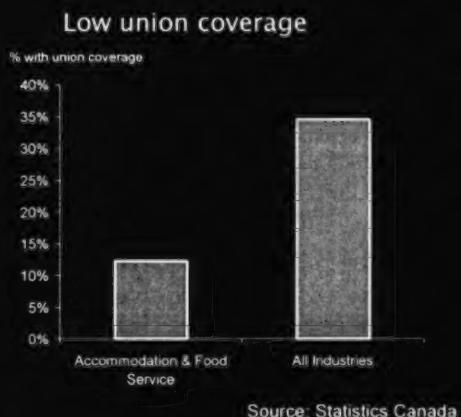


Source: Statistics Canada

Employment characteristics: part-time, short tenure, non-union

A very large share of tourism jobs—42% of accommodation and food service employment—involves part time work. This is considerably higher than the BC average of 23%. The average usual workweek in tourism is 28.8 hours, compared to 34.6 hours for the entire BC workforce. This, indeed, has something to do with why weekly earnings are lower.

Across industries, job tenure (length of time at one's current job) is on average 7.6 years. In accommodation and food service, average job tenure is 3.8 years—exactly half the BC average. This indicates a higher employee turnover rate and is likely a function of the youth oriented profile of the industry.



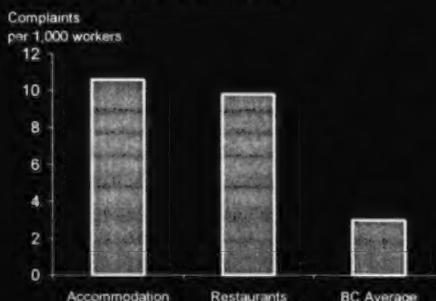
The tourism labour market is also largely non-union. Union coverage in accommodation and food service is just over 12%—roughly one-third the unionization rate for BC as a whole (35%).

Working Conditions

Both the restaurant and accommodation industries have higher than average employee complaints. BC Employment Standards offices registered 12,252 complaints in fiscal year 2001/02—7.6 for every 1,000 workers in BC. In the accommodation industry, there were 19.3

complaints per 1,000 workers, and in restaurants there were 24.2 per 1,000 workers.

Employment standards complaints more common

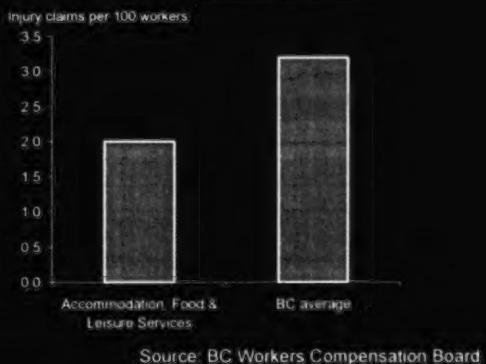


Source: BC Employment Standards Branch

In fact, the Employment Standards Branch has established a "restaurant initiative," making particular efforts to increase compliance in that industry. Key problems have been non-compliance with hours of work rules and minimum wage laws.

Tourism industries perform much better with respect to workplace safety. Workers in accommodation, food, and leisure services registered 2.0 injuries per 100 workers (person years of employment), well below the BC average of 3.2 per 100 workers.

Low workplace injury rates



Overall job satisfaction seems quite high in BC, though tourism-related jobs are slightly below average. Across BC, 88.3% of workers surveyed by Statistics Canada said they were satisfied (or very satisfied) with their jobs in 2001. In accommodation and food service, 84.9% expressed job satisfaction.

Despite lower average hourly wage rates, close to 7 out of 10 workers (68.7%) in the accommodation and food service industry expressed satisfaction with pay and benefits. However, this was below the average across all industries of 77.6%

Summary

Based on a number of measures, tourism-related jobs may, in general, seem to be less desirable. Earnings are lower, job turnover is high, employment standards are relatively weak, and job satisfaction is below that of other industries.

However, what tourism industries do well is provide a lot of jobs for young people and students. Indeed, these are often crucial entry points into the workforce. After gaining some job experience, these workers often move into industries with more attractive opportunities. Given the characteristically high unemployment rates among young people, the importance of the tourism labour market should not be understated.

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BC at a glance . . .

POPULATION (thousands)		% change on one year ago
BC	4,146.6	0.8
Canada	31,629.7	0.9
GDP and INCOME		% change on one year ago
(BC - at market prices)	2002 Prelim	
Gross Domestic Product (GDP) (\$ millions)	134,365	2.7
GDP (\$ 1997 millions)	126,141	1.8
GDP (\$ 1997 per Capita)	30,459	0.8
Personal Disposable Income (\$ 1997 per Capita)	19,445	-0.2
TRADE (\$ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jul	2,718	1.0
Merchandise Exports - Jul	2,544	-2.0
Retail Sales - Jul	3,409	0.3
CONSUMER PRICE INDEX		12-month avg % change
(all items - 1992=100)	Aug '03	
BC	120.9	2.5
Canada	122.5	3.3
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Aug '03	
Labour Force - BC	2,216	0.5
Employed - BC	2,023	0.3
Unemployed - BC	193	1.7
	Jul '03	
Unemployment Rate - BC (percent)	8.7	8.6
Unemployment Rate - Canada (percent)	8.0	7.8
INTEREST RATES (percent)		Oct 1/03 Oct 2/02
Prime Business Rate	4.50	4.50
Conventional Mortgages - 1 year	4.55	5.30
- 5 year	6.15	6.70
US/CANADA EXCHANGE RATE		Oct 1/03 Oct 2/02
(avg. noon spot rate) Cdn \$	1.3480	1.5855
US \$ (reciprocal of the closing rate)	0.7434	0.6302
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Aug '03	
BC	687.38	2.9
Canada	666.46	2.2

SOURCES:

Population, Gross Domestic Product, Trade,
 Prices, Labour Force, Wage Rate } Statistics
 Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics
 For latest Weekly Financial Statistics see www.bankofcanada.ca

Erratum

The August 2003 Business Indicators article (republished in Infoline, issue 03-39, last week) **Regional Outlook – North Coast** left the impression that only the new owners of the former Skeena Cellulose qualified for a relaxed log export ceiling (page 4). In fact, all tenure holders in specified areas were targeted. We have revised our documents with the following sentence.

In order to help stimulate logging activity in the region, where timber quality is poor and logging conditions are difficult and expensive, an order in council was made available to all tenure holders in the North Coast, Kalum and Kispiox Forest Districts allowing 35% of the logs to be exported.

We apologise for any inconvenience this may have caused.

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Released this week by BC STATS

- Current Statistics, September 2003
- Small Business Quarterly, 2nd Quarter 2003
- Migration Highlights, Second Quarter 2003

Next week

- Immigration Highlights, Second Quarter 2003